

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 DODE-00 NSAE-00 TRSE-00  
ERDA-05 CIAE-00 COME-00 ERDE-00 SSO-00 USIE-00  
/025 W  
-----141728Z 065363 /41

O 141717Z JUN 77  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC IMMEDIATE 4116

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 17460

USOECD

EXCON

E.O. 11652: XGDS1  
TAGS: ESTC, COCOM  
SUBJ: BELGIAN PROPOSAL ON IL 1091 - MACHINE TOOLS

REF: OECD PARIS 14467

1. SUMMARY: BELGIAN PROPOSAL ON IL 1091 REMAINED SUBJECT TO US AND UK RESERVES AT COCOM MEETING JUNE 14. BELGIAN DEL CALLED UPON OTHER DELS TO ACCEPT HIS PROPOSAL WITH 6 MONTH VALIDITY NOTE IF NECESSARY BY JUNE 24. HE REFUSED TO STATE FOR THE RECORD WHETHER HIS AUTHORITIES WOULD CARRY OUT THEIR PREVIOUS THREAT TO LICENSE MACHINE TOOL EXPORTS WITHIN TERMS OF THEIR PROPOSAL IF ACCEPTANCE WAS NOT OBTAINED BY THAT DATE, BUT HINTED THAT THEY WOULD DO SO. ACTION REQUESTED: APPROPRIATE INSTRUCTIONS BY JUNE 24. END SUMMARY.

2 USDEL AND UKDEL RESERVED ON BELGIAN PROPOSAL AT COCOM MEETING 6/14. GERMAN DEL AGREED TO BELGIAN PROPOSED PARABIN PRINCIPLE BUT INDICATED THAT HIS AUTHORITIES COULD NOT AGREE TO THE PRESENT WORDING "ACCORDING TO MANUFACTURER'S TECHNICAL SPECIFICATIONS CAN BE EQUIPPED..." AS THIS WAS NOT A WORKABLE METHOD INSURING APPROPRIATE CONTROLS. HE RECALLED HIS DELEGATION'S STATEMENTS IN DEF (77) 1091/14 PARA 54 AND /20 PARA 10 THAT POSITIONING ACCURACY COULD ONLY BE MEASURED WHEN NUMERICAL CONTROL WAS CONNECTED TO THE MACHINE.

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TURER'S TECHNICAL SPECIFICATIONS CAN BE EQUIPPED..." AS THIS WAS NOT A WORKABLE METHOD INSURING APPROPRIATE CONTROLS. HE RECALLED HIS DELEGATION'S STATEMENTS IN DEF (77) 1091/14 PARA 54 AND /20 PARA 10 THAT POSITIONING ACCURACY COULD ONLY BE MEASURED WHEN NUMERICAL CONTROL WAS CONNECTED TO THE MACHINE.

3. BELGIAN DEL WILLY STEVENS THEN MADE LONG STATEMENT TO EFFECT THAT BELGIAN PROPOSAL RESULTED FROM DISTRESSED POSITION OF BELGIAN MACHINE TOOL INDUSTRY WHOSE VERY SURVIVAL WAS NOW IN QUESTION. THESE FIRMS HAD, HE SAID FOUND SUBSTANTIAL MARKETS IN ROMANIA WHICH COULD ALLOW THEM TO CONTINUE IN OPERATION. ON THE OTHER HAND, HIS AUTHORITIES WERE AWARE THAT THE WEST HAD AN IMPORTANT STRATEGIC LEAD IN THE MACHINE TOOL AREA. HIS AUTHORITIES THEREFORE HAD TO BALANCE STRATEGIC CONSIDERATIONS AGAINST ECONOMIC SURVIVAL OF THIS IMPORTANT INDUSTRIAL SECTOR. THE BELGIAN PROPOSAL, HE SAID, WAS THE RESULT OF THAT BALANCE. IT WAS ITSELF A COMPROMISE PROPOSAL WHICH WOULD IN EFFECT ALLOW THE BELGIAN MACHINE TOOL INDUSTRY TO TAKE ADVANTAGE OF ONLY ABOUT 40 PERCENT OF THE POTENTIAL SALES TO THE EAST. HE ALSO MENTIONED, AS AN ASIDE, THAT HIS AUTHORITIES HAD WEIGHED THE POSSIBILITY OF APPROACHING THE U.S. WITH A PROPOSAL THAT BELGIUM WOULD FOREGO THESE ROMANIAN SALES OPPORTUNITIES IF THE U.S. WOULD PROVIDE SUBSTITUTE MARKETS FOR THIS EQUIPMENT. SUCH AN ARRANGEMENT WAS JUDGED HOWEVER TO BE IMPRACTICABLE GIVEN THE NEED TO OBTAIN IMMEDIATE SALES.

4. STEVENS INDICATED THAT WHILE HE HAD RECEIVED INSTRUCTIONS TO NOTIFY THE COMMITTEE THAT BELGIAN WOULD PROCEED AS IF ITS PROPOSAL HAD BEEN ADOPTED, HE HAD TAKEN IT UPON HIMSELF TO TRY AND WORK OUT A MORE PALATABLE SOLUTION. HE WAS REQUESTING THAT THE COMMITTEE GRANT BELGIUM AND ALL OTHER MEMBERS, A SIX-MONTH EXEMPTION.

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TION ("DEROGATION") FROM IL 1091 EMBARGO COVERAGE IN LINE WITH THE BELGIAN PROPOSAL. CHAIRMAN INDELICATO TRANSLATED HIS REQUEST INTO A PROPOSAL THAT BELGIAN PROPOSAL BE ADOPTED WITH 6 MONTH VALIDITY NOTE.

5. STEVENS SAID THAT HE MUST INSIST ON A "YES OR NO" ANSWER REGARDING ACCEPTANCE OF THIS REQUEST BY JUNE 21. UNDER PRESSURE FROM GERMAN DEL HE AGREED TO THIS QUESTION BEING SCHEDULED FOR SPECIAL COMIN MEETING FRIDAY JUNE 24. STEVENS "ENTREATED" OTHER DELEGATIONS TO AGREE TO THIS REQUEST FOR AN EXEMPTION (I.E. ACCEPT HIS PROPOSAL WITH SIX-MONTH VALIDITY NOTE) SO AS TO PERMIT COMMITTEE TO KEEP INTACT ITS UNINAMITY PRINCIPLE. WHEN PRESSED AS TO WHAT WOULD HAPPEN IF THIS EXEMPTION WERE NOT GRANTED, HE EVADED A DIRECT ANSWER BY SAYING A DECISION WOULD HAVE TO BE TAKEN AT THE "GOVERNMENTAL" (I.E. CABINET) LEVEL.

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 DODE-00 NSAE-00 TRSE-00  
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FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4117

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 17460

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6. COMMENT: UK AND GERMAN DELS HAVE INDICATED INFORMALLY TO US THAT THEY WILL PROBABLY GET INSTRUCTIONS TO AGREE TO BELGIAN PROPOSAL. USDEL WILL PROBABLY BE ALONE ON JUNE 24. IF US IS UNABLE TO AGREE TO BELGIAN REQUEST, THEN WE SHOULD SO STATE ON THAT DATE WITH SUFFICIENT JUSTIFICATION AT LEAST TO MAKE OUR POSITION UNDERSTANDABLE TO OTHER DELEGATIONS. IF WE WILL MERELY BE UNPREPARED TO STATE OUR POSITION BY THAT DATE WE SHOULD NOT ALLOW STEVENS' INSISTENCE ON A "YES OR NO" ANSWER TO PUSH US TO AN OBJECTION. AN OBJECTION THAT IS NOT FIRMLY FOUNDED WOULD MERELY SERVE TO MAKE BELGIAN ACTION MORE ACCEPTABLE. RATHER WE SHOULD CONTINUE OUR RESERVE WHICH IS IN ACCORDANCE WITH COCOM RULES AND PROCEDURES AND LEAVE ONUS CLEARLY ON BELGIAN SHOULDERS FOR TAKING PRECIPITOUS ACTION.

7. USDEL HAS ON SEVERAL OCCASIONS EXPRESSED TO BELGIAN DEL HIS REGRET THAT BELGIANS HAVE TAKEN THIS TACK, ESPECIALLY SINCE EXCEPTION REQUEST PROCEDURE WOULD PROBABLY MORE APTLY SERVE TO PROTECT STRATEGIC CONFIDENTIAL

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INTERESTS WHILE TAKING INTO ACCOUNT ECONOMIC DIFFICULTIES BEING FACED BY BELGIAN MACHINE TOOL FIRMS.

8. ACTION REQUESTED: APPROPRIATE INSTRUCTIONS BY JUNE 24.

9. AFTER FOREGOING WAS DRAFTED, STEVENS CALLED TO PLEAD FOR U.S. ACCEPTANCE OF THEIR PROPOSAL WITH 6-MONTH OR EVEN 4-MONTH LIMIT. HE SAID IF HIS INITIATIVE DREW AN OBJECTION, OR EVEN A RESERVE, HE WOULD BE CALLED TO BRUSSELS TO EXPLAIN WHY HE HAD NOT FOLLOWED HIS INSTRUCTIONS TO NOTIFY THE COMMITTEE THAT BELGIUM WOULD PROCEED TO ACT ON BASIS OF ITS PROPOSAL.

THUS STEVENS HAS PUT HIMSELF FAR OUT ON A LIMB.  
KATZ

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## Message Attributes

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